Parliament is always theatre but in recent times it has more closely resembled a bloodied boxing ring. In the red corner the champion Paul Keating defends his title against the challenger John Hewson from the blue corner. Every question time sees the jab and uppercut of one against the counterpunch of the other. In the rounds of parliamentary battle words and barbs become punches; one week the champion has the challenger in trouble on the ropes, the next the scales have totally turned. Even when the two pugilists are seated as others take to the floor, little love is lost as they snarl at each other. Challenger Hewson is seen to lean over and hiss "you're a loser, Paul". Real enmity is there, the like of which we have rarely seen before.

There are no neutral corners in this intellectual heavyweight clash. Right now we are scoring Keating slightly ahead on points but the challenger is gaining confidence with every round. Ringside commentators see little prospect of a knockout blow from either, but a TKO, a slip-up by either is always on the cards. Only last round the champ Paul Keating lowered his guard and said the recession was over. It was so easy. Challenger Hewson only had to stand back and smile, not even land a punch. From the man who gave us the recession we had to have it is now the recovery that's already here. But as everyone knows, it's a leaden, limping recovery at best. Full-time jobs are still being lost and business confidence is still shell-shocked. Continual reference to the so-called booming export sector overlooks the fact that in a depressed economy it is relatively easy to raise exports as a percentage of GDP.

Like that champion of the past, Muhammad Ali, Paul Keating seemingly cannot control his tongue. In May 1990 he verbalised a layperson's definition of recession—high unemployment, business failures and forced asset sales. That's the way it was then and the way it is now. Many will hold him to his remark that the recession is over. For succour and inspiration Keating spends time scanning the parliamentary speeches and repartee of one of his heroes, Winston Churchill, looking no doubt for some verbal gems to deploy against his opposite number. I wonder if he has ever come across what Churchill felt was his greatest mistake. It was not Gallipoli. It was his decision in 1925 to put the pound sterling back on the Gold Standard at the old pre-war value. This translated into a massive and hugely uncompetitive revaluation of the pound sterling—not unlike John Major's ill-fated attempt to tie the pound to the Deutschmark-led ERM.

To keep the pound fixed on the Gold Standard meant keeping British interest rates high. The prolonged and high level interest rate wreaked terrible damage upon the British economy. British export industries, in a bid to remain competitive, forced wage cuts upon their employees. This caused great industrial unrest, culminating in the 1926 General Strike which brought the nation to a halt for eleven days. Churchill regretted for the rest of his life the damage high interest rates had done to the inter-war economy. Even Charlie Chaplin lectured Churchill on the downside of his decision at a dinner party before getting down to pleasant conversation. Lesser mortals never forgave Churchill for putting Britain through deflation to satisfy financial interests at home and abroad.

Dr Hewson: "I ask the Prime Minister if you are so confident about your view of Fightback! why will you not call an early election?"
Mr Keating: "The answer is, mate, because I want to do you slowly. There has to be a bit of sport in this for all of us. In the psychological battle stakes, we are stripped down and ready to go."
abroad. I fear the same mood of unforgiveness may be meted out to Paul Keating.

Both men must have entertained doubts that the Treasury-ordained strategy they each followed was the correct one. Keynes, very much active in the 1920s, warned even then that playing around with high interest rates, even for short periods, was hellfire. It seems he found no converts with either Churchill or Keating.

If Keating’s model is Churchill, John Hewson has as his inspiration Margaret Thatcher. Not only is Fightback! Thatcherite economics writ large, but its principal author exudes her tenacity—the more sustained the criticism, the more certain he becomes of the rightness of his cause. John Hewson fooled many of us by saying when first elected opposition leader in 1990 that all he really wanted was to be Treasurer. The impression was that he had been pressganged into the leadership by Liberal Party apparatchiks.

Having served as economic adviser to Treasurers Phil Lynch and John Howard, he said, he now wanted to pull the levers for himself. What bunkum! A quick glance at Hewson’s entry in Who’s Who reveals a man on the make ever since he left Kogarah High. An academic economist told me recently that Hewson seriously started his run to be prime minister in the mid-80s. As work was to Essington Lewis, so competitive persistence is to John Hewson. As he put it: “I like competition. There’s nothing like putting your balls on the line.”

I’m told that, like me, John Hewson achieved only a lower second-class honours degree in economics. That did not stop him, unlike me, going off to get his Masters and PhD in quick succession from Johns Hopkins University. At that university Hewson might have crossed paths with Alan Walters, an expatriate English professor of economics who later went on to become Margaret Thatcher’s personal economic adviser. He was the man primarily responsible for bringing monetarism to Britain.

Alan Walters is very much a man after Hewson’s heart; a working class boy who rose to the top by dint of hard work, endless self-belief, and an unqualified faith in free market economics. Recently Walters was asked to comment on Fightback!. While blessing the GST, he baulked at the high rate of 15%, believing that it would be a godsend to the Keating government. Walters pointed out that even under Thatcher’s consumption tax, such things as food, children’s clothing and other essential expenditure are ‘zero-rated’.

Hewson’s reluctance to take counsel even from ideological soulmates betrays his ‘I know best’ arrogance. Hewson prides himself on being a can-do man, but the price effect of his GST on food will make can-openers of many of us. Many in the amphitheatre watching this “bit of sport” are therefore doubly reluctant to put their money on the GST man. A self-inflicted TKO for the contender may well be in the offing. However, the big fight is not over till the last ringing of the parliamentary bells.

BOY’S TALK

John Hewson’s assertion in October that Bob Carr was not “a full-blooded Australian” because he “doesn’t drive” and “doesn’t like kids” was far from a random ‘blunder’. Rather, it was just one of many contributions that have been made in a continuous media battle between Labor and Liberal images of national identity.

The jousting began even before Paul Keating’s ascension, with the launch of the Liberal/National Fightback! package. Much of the media coverage of the Fightback! has concentrated on the GST proposals, but the package also portrays a vision of what Australian society should be like. Fightback! pursues the Thatcherite strategy of attempting to break down class and other group identities by asserting that individualism is the major feature of national identity.

Whether they are wage earners or business people, the Coalition’s message for Australians is the same. Australian citizens need to be hardworking, enterprising and independent, standing on their two feet rather than relying on government assistance and special interest groups such as trade unions. Or, as John Hewson put it in a more populist formulation, the millions of Australians who strive to be different need to apply the same ingenuity and industry to their work that they apply to their gardens and their Holden Commodores. No wonder Dr Hewson expresses disdain for Labor leaders who do not own a driving licence! The Coalition’s appeal to particular images of national identity is a conscious attempt to create a winning electoral coalition by evoking powerful images that impact upon voters’ most intimate senses of self-worth. It is a strategy that links public discourse with personal recognition. Hence the references to personal matters, such as male virility and attitudes to children, that are normally left out of political point-scoring.

In his final parliamentary speech as Prime Minister, Bob Hawke responded to Fightback! by drawing on an old tradition of Labor populism, depicting the Liberals as confrontationist troglodytes whose political ancestors had turned Gatling guns on Queensland workers. By contrast